



MISSOURI TIMBER PRICE TRENDS

Jan.-March, 2005, Vol. 15 No. 1

Missouri Department of Conservation, Forestry Division

Statewide Stumpage Prices

	High	Low	Avg.	Last Qtr.	Last Yr.	Vol.	# of Rpts.
Veneer							
Walnut, Black	\$2,500	\$665	\$1,645	\$2,295	\$1,705	27 Int. - MBF	11
White oak (group)	\$1,600	\$560	\$610	\$835	\$1,055	24 Int. - MBF	3
Sawlogs							
Cottonwood	\$200	\$35	\$180	-	\$100	141 Int. - MBF	4
Hackberry	\$125	\$60	\$85	-	\$85	50 Int. - MBF	6
Hickory	\$305	\$60	\$125	\$120	\$170	69 Int. - MBF	13
Mixed Hardwoods	\$305	\$25	\$115	\$115	\$160	499 Int. - MBF	13
Oak (mixed species)	\$300	\$120	\$180	\$200	\$145	557 Int. - MBF	8
Post Oak	\$230	\$45	\$140	\$140	\$150	165 Int. - MBF	13
Red oak (group)	\$385	\$115	\$200	\$220	\$195	1,951 Int. - MBF	28
Shortleaf Pine	\$150	\$120	\$120	\$135	\$145	68 Int. - MBF	2
Soft Maple	\$305	\$85	\$220	\$155	\$190	32 Int. - MBF	4
Sycamore	\$80	\$80	\$80	\$100	\$100	80 Int. - MBF	2
Walnut, Black	\$985	\$375	\$685	\$570	\$450	80 Int. - MBF	12
White oak (group)	\$410	\$110	\$175	\$175	\$215	803 Int. - MBF	24

Averages are based on received reports. Refer to the column headed “# of Rpts.” to get a gauge of how accurate the average prices may be. Changes since last quarter and last year should be read with caution as the number of reports varies each year and quarter. This report can only be used as a general guide for determining market value of timber. General market and economic conditions, as well as local considerations such as accessibility, terrain, sale size, and tree size and quality also affect the price paid.

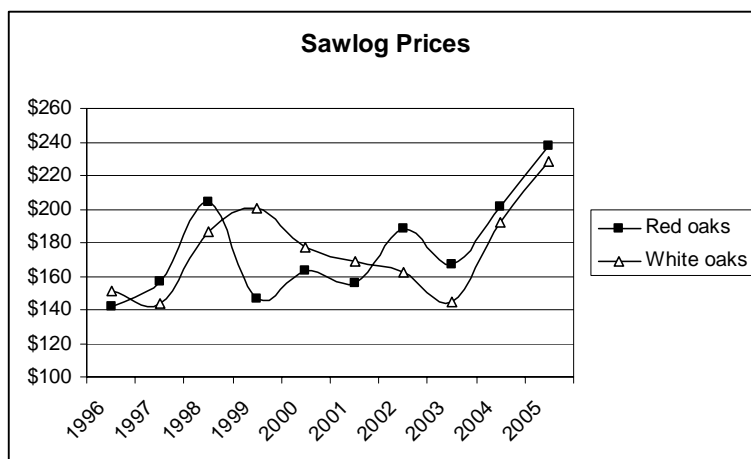


Figure 1 - Sawlog price trends over the past 10 years in Missouri.

Ozark Stumpage Prices

	High	Low	Avg.	Last Qtr.	Last Yr.	Vol.	# of Rpts.
Veneer							
Walnut, Black	\$1,350	\$1,350	\$1,350	\$3,135	\$1,040	2 Int. - MBF	1
Sawlogs							
Hickory	\$305	\$60	\$125	\$120	\$165	55 Int. - MBF	11
Mixed Hardwoods	\$305	\$25	\$115	\$70	\$165	399 Int. - MBF	10
Oak (mixed species)	\$235	\$165	\$185	\$220	\$185	476 Int. - MBF	4
Post Oak	\$230	\$45	\$140	\$140	\$150	165 Int. - MBF	13
Red oak (group)	\$305	\$120	\$200	\$220	\$190	1,799 Int. - MBF	22
Shortleaf Pine	\$150	\$120	\$120	\$110	\$145	68 Int. - MBF	2
Soft Maple	\$305	\$305	\$305	-	\$85	5 Int. - MBF	1
Walnut, Black	\$985	\$415	\$890	\$455	-	30 Int. - MBF	2
White oak (group)	\$305	\$135	\$180	\$170	\$190	581 Int. - MBF	16

Prairie Stumpage Prices

	High	Low	Avg.	Last Qtr.	Last Yr.	Vol.	# of Rpts.
Veneer							
Walnut, Black	\$2,500	\$665	\$1,670	\$2,155	\$1,900	25 Int. - MBF	10
White oak (group)	\$560	\$560	\$560	\$835	\$1,040	23 Int. - MBF	2
Sawlogs							
Cottonwood	\$200	\$35	\$180	-	\$100	141 Int. - MBF	4
Hackberry	\$125	\$60	\$85	-	\$85	50 Int. - MBF	6
Hickory	\$100	\$100	\$100	-	\$130	10 Int. - MBF	1
Mixed Hardwoods	\$140	\$60	\$135	\$135	\$75	98 Int. - MBF	2
Oak (mixed species)	\$300	\$120	\$170	\$190	\$110	81 Int. - MBF	4
Red oak (group)	\$230	\$115	\$170	\$190	\$180	104 Int. - MBF	5
Soft Maple	\$220	\$85	\$205	-	\$190	28 Int. - MBF	3
Sycamore	\$80	\$80	\$80	\$70	\$90	80 Int. - MBF	2
Walnut, Black	\$900	\$375	\$555	\$645	\$485	49 Int. - MBF	10
White oak (group)	\$165	\$110	\$150	\$185	\$190	212 Int. - MBF	7

Riverborder Stumpage Prices

	High	Low	Avg.	Last Qtr.	Last Yr.	Vol.	# of Rpts.
Veneer							
White oak (group)	\$1,600	\$1,600	\$1,600	\$835	\$1,065	1 Int. - MBF	1
Sawlogs							
Hickory	\$210	\$210	\$210	-	\$180	4 Int. - MBF	1
Mixed Hardwoods	\$125	\$125	\$125	\$125	\$80	1 Int. - MBF	1
Red oak (group)	\$385	\$385	\$385	\$210	\$235	48 Int. - MBF	1
White oak (group)	\$410	\$410	\$410	\$185	\$265	11 Int. - MBF	1

Note: All prices and volumes are reported in International ¼" MBF Scale. To convert to Int.-BF prices or volume, divide by 1,000. To convert volume from Int.-MBF to Doyle MBF, divide by 1.2. To convert prices from Int.-MBF to Doyle MBF, multiply by 1.2.

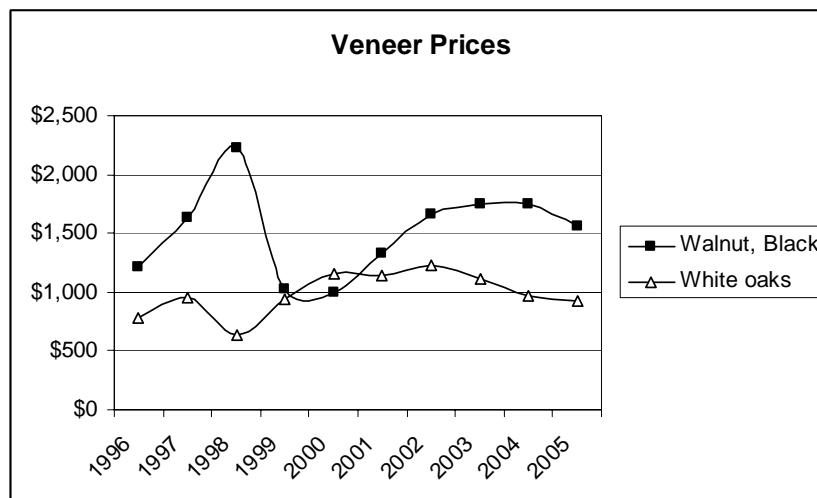


Figure 2 - Veneer log prices trends over the past ten years in Missouri.

Foresters reported stumpage prices resulting from 47 timber sales containing 4,709 MBF located throughout the state.

Price Reporting Regions



Editor's Note

Remember that one of the most valuable sources for information on log and timber markets is the local Missouri Department of Conservation Resource Forester or your Consulting Forester. Contact the nearest Forest District office for up-to-date, local advice. The Missouri Department of Conservation's Forestry Division, (573) 751-4115, will be happy to provide you with the name and address of the Resource Forester or MDC Regional Office nearest to you. You can locate a Consulting Forester by visiting the Mo. Consulting Forester's Association web site at: www.missouriforesters.com or by visiting the Private Land Assistance page of the MDC website <http://www.mdc.state.mo.us/landown/> and clicking on the "Conservation Assistance Contractors" link.

Tom Treiman, Editor

Tree Scale Conversion Factors

Sawlogs - Veneer Logs	Int'l = Doyle x 1.2
Pulpwood Pine	5,200 lbs/cord
Hardwood (hard)	5,600 lbs/cord
Hardwood (soft)	4,200 lbs/cord

(Economic) Life without Missouri's Forests

What would life be like if Missouri had no forests? Besides being a lot less pleasant, scenic and enjoyable for us and the plants and animals that rely on Missouri's forests, Missouri's wallets would take a big hit!

A recent analysis by the Missouri Department of Conservation showed that the forest products industry contributed \$4.43 billion annually to the Missouri economy in 2005 dollars. The industry supports over 32,250 jobs at a payroll of about \$1.1 billion and is responsible for over \$360 million in taxes that help to run our state and country, including \$54 million in state sales tax. These numbers include not only the direct effect of jobs in the primary wood processing industry (such as logging and sawmill operations) but also indirect and "induced" effects in the secondary wood products industry (such as cabinet shops, log cabs, paperboard manufacturing and so on) and in the economy as a whole (loggers, sawyers, and carpenters, after all, buy groceries and gas just like the rest of us). Results are based on data collected by the US Bureau of Economic Analysis, the US Bureau of Labor Statistics, the US Department of Agriculture, and the Missouri Department of Conservation (MDC) between 2001 and 2004, and compiled by the Minnesota IMPLAN Group and MDC.

And that \$4.43 billion doesn't even include the value of a day spent walking in Missouri's woods with your family searching for morels, trying to spot a migrating

warbler or next season's big buck. That part is priceless!

News from Missouri's Neighbors

Nebraska reports that the lumber market has been a bit lackluster. Many items are over produced with stagnant demand and price. New home sales continue to rise, although housing starts have showed some signs of slippage. Despite it all, most sources are optimistic that the future will be bright, busy, and profitable. Illinois prices have not changed significantly since this period last year.

The latest edition of Timber Mart-South finds that the south-wide average mixed hardwood sawtimber stumpage price continued to recover, increasing 11 percent in the 4th Quarter and ending the year nearly 5 percent above one year ago. Hardwood pulpwood stumpage prices also averaged higher this quarter, but ended the year far below last year's record level and still less than pine pulpwood in most markets.

Sources: Nebraska Forest Service.
Illinois Department of Natural Resources.
Timber Mart-South Market Newsletter.

California: Cost of logging plans soars, university study finds

The increasing cost of logging regulations may prompt more landowners to sell their timberland for development and other uses, particularly in areas where property values are rising, according to a new study.

Although these results come from the far away state of California, they may prove an interesting point of comparison for Missouri landowners.

The California Polytechnic State University, San Luis Obispo, study finds the average cost of meeting California's regulations has increased 1,200 percent over the last 30 years, and now tops \$30,000.

"It's the regulations themselves that are driving up the costs," said CalPoly forestry professor Richard Thompson, the report's co-author and a licensed forester himself.

California attempts to avoid poor outcomes by regulating every detail of the harvest, he said. In Oregon, by contrast, "their approach is to look at the outcome: 'You know what the law is. If anything happens, you're in deep trouble.'"

California's approach can drive up costs without appreciably improving conditions, contend Thompson and his co-author, assistant forestry professor Christopher Dicus.

Not so, countered John Buckley, executive director of the Central Sierra Environmental Resource Center.

"Timber harvest plans are not a bureaucratic exercise but do provide important information, and we believe they are not detailed enough for the California Department of Forestry and Fire Protection to adequately understand the effects of logging on wildlife and water," Buckley said.

The state's system also does a poor job of gauging the cumulative effects of multiple timber cuts over years or larger geographic areas, Buckley said, alleging state regulators routinely

and quickly approve most harvest plans.

The cost of preparing what is known as a timber harvest plan was about \$2,300 in today's dollars 30 years ago, the CalPoly professors found in examining 607 plans averaging 73 acres. Much of the increased cost came with increased regulations in 1993, prompting a nearly 60 percent price jump.

The higher regulatory costs also put California companies at a competitive disadvantage in marketing their lumber, the authors found. The regulatory cost of reviews by several state agencies doesn't include expenses from lawsuits or other challenges. Source: Associated Press.

Canada: The Dispute Continues

A group of U.S. timber growers and lumber producers has endorsed negotiations with Canada on a softwood trade deal after Ottawa submitted a new plan to resolve the long-running conflict.

"We would support these negotiations at the earliest opportunity," Rusty Wood, chairman of the Coalition for Fair Lumber Imports, said in a letter to Commerce Undersecretary Grant Aldonas.

Canada has sent the United States a plan for resolving the four-year-old dispute that has resulted in extensive litigation on U.S. import duties against Canadian lumber used to build houses.

The U.S. industry group noted that the plan "leaves questions unanswered and there are aspects

of it that we do not support as presented." It also proposed that Canada suspend all pending lawsuits to "concentrate" on a negotiated solution.

In Ottawa, Canadian Trade Minister Jim Peterson rejected that idea. "We're going to continue our litigation in the softwood case. But meanwhile, I will work very actively toward negotiated settlement. As well, we will continue our track of retaliation," Peterson said.

The Canadian proposal floated to provinces and the forest industry last week would replace current U.S. punitive duties with an export tax that eventually would be phased out.

The United States has collected more than \$3 billion in duties on Canadian spruce, pin, fir and other softwood lumber that makes up about one-third of the U.S. market.

The duties were imposed after the Bush administration found Canadian provinces were providing unfair production subsidies and Canadian companies were exporting the wood at below-market prices.

Canada denies the allegations and has challenged the duties before international trade tribunals.

A key sticking point of any negotiated settlement is likely to be the already-collected duties, which Canada wants back and U.S. firms want at least a portion of.

Several earlier attempts at a deal have failed and talk of renewing the effort came shortly before the March 23 meeting between U.S. President George W. Bush and Canadian Prime Minister Paul Martin.

"Everybody has that in mind," said Harry Clark, a lawyer representing the U.S. industry. But a deal by then is unlikely, given the complexity of the trade dispute.

While Ottawa portrayed its latest proposal as enjoying support throughout Canada, the opposition Conservative Party criticized the plan on Wednesday.

Ontario forest industries said federal authorities had "forged ahead with a highly questionable strategy."

Canadian industry officials think Canada is on the verge of victory as a North American Free Trade Agreement panel this spring is expected to issue a key decision on the case.

Source: Reuters.

Missouri Timber Price Trends tracks market prices for Stumpage. Reports on the Stumpage Market are received from Missouri Department of Conservation Resource Foresters and private consulting foresters. Stumpage refers to timber sold on the stump and does not reflect delivered mill prices. These reports should serve as a general guide to track stumpage prices. Landowners should not use this report to replace a timber inventory and marketing assistance as methods of conducting a sale. Missouri Department of Conservation Resource Foresters will be able to provide information on current, local market conditions. Details of all private sales and delivered prices are kept confidential.

Missouri Department of Conservation

Forestry Division Offices

MDC CENTRAL OFFICE.....573/751-4115

PO Box 180, Jefferson City 65102.....573/522-4115
Bob Krepps, Forestry Division Administrator

GEORGE O. WHITE NURSERY.....573-674-3229

14027 Shafer Rd., Licking 65542
Greg Hoss, Supervisor

MDC RESOURCE SCIENCE..... 573/882-9880

1110 S. College Ave., Columbia 65201

CENTRAL REGION573/884-6861

1907 Hillcrest Dr., Columbia 65201
Tim French, Regional Supervisor.....573/882-8388
CALIFORNIA OFFICE
410C W. Buchanan St., California 65018573/796-0286
CAMDENTON OFFICE
783 Thunder Mtn. Rd., Camdenton 65020.....573/346-2210
NEW FRANKLIN – MU-HARC OFFICE
10 Research Ctr. Rd., New Franklin 65274.....660/848-2525

KANSAS CITY816/655-6250

3424 NW Duncan Rd., Blue Springs 64015
Mark Nelson, Regional Supervisor.....816/655-6254
CLINTON OFFICE.....660/885-6981
PO Box 368, Clinton 64735.....660/885-8179
DISCOVERY CENTER.....816/759-7300
4750 Troost, Kansas City 64110.....816/759-7305
ELDORADO SPRINGS OFFICE
PO Box 106, El Dorado Springs 64744417/876-5226
SEDALIA OFFICE
1014 Thompson Blvd., Sedalia 65301660/530-5500
WARSAW SHOP
PO Box 831, Warsaw 65355660/438-6841

NORTHEAST660/785-2420

2500 S. Halliburton, Kirksville 63501
George Clark, Regional Supervisor.....660/785-2424
HANNIBAL OFFICE
653 Clinic Rd., Hannibal 63401.....573/248-2530
KAHOKA OFFICE
RR 1 Box 16A, Kahoka 63445.....660/727-2955
MACON OFFICE
28898 Highway 63, Macon 63552660/385-6359
UNIONVILLE OFFICE
28988 US Hwy. 136, Unionville 63565.....660/947-2439

NORTHWEST816/271-3100

701 James McCarthy Dr., St. Joseph 64507
John Fleming, Regional Supervisor.....816/271-3111
CHILLICOTHE OFFICE
15368 LIV 2386, Chillicothe 64601.....660/646-6122

OZARK417/256-7161

PO Box 138, West Plains 65775
Tom Draper, Regional Supervisor.....417/255-9561
ALTON OFFICE
PO Box 181, Alton 65606417/778-6594
AVA OFFICE
HCR 71 Box 46, Ava 65608417/683-3628
DONIPHAN OFFICE

Route 8 Box 8118, Doniphan 63935.....573/996-2557

EMINENCE OFFICE

PO Box 755, Eminence 65466573/226-3616

HOUSTON OFFICE

PO Box 246, Houston 65483.....417/967-3385

ROLLA OFFICE

PO Box 1128, Rolla 65401573/368-2225

SALEM OFFICE

PO Box 386, Salem 65560573/729-3182

VAN BUREN OFFICE

PO Box 850, Van Buren 63965573/323-8515

SOUTHEAST573/290-5730

2302 County Park Rd., Cape Girardeau 63701
Joe Garvey, Regional Supervisor.....573/290-5858
ELLINGTON OFFICE
Route 2 Box 198, Ellington 63638573/663-7130
FARMINGTON OFFICE
812 Progress Dr., Farmington 63640.....573/756-6488
FREDERICKTOWN OFFICE
1051 Madison CR 212, Fredericktown, 63645.573/783-7031
IRONTON OFFICE
303 S. Main, Ironton 63650.....573/546-6993
MARBLE HILL OFFICE
Po Box 679, Marble Hill 63764.....573/238-2321
NEW MADRID OFFICE
PO Box 131, New Madrid 63869.....573/748-5134
PERRYVILLE OFFICE
2206 W. St. Joseph, Perryville 63775.....573/547-4537
PIEDMONT OFFICE
Route 1 Box 1002, Piedmont 63957.....573/223-4525
POPLAR BLUFF OFFICE
107 Magazine Lane, Poplar Bluff 63901573/840-9788

SOUTHWEST..... 417/895-6880

2630 N. Mayfair, Springfield 65803
Duane Parker, Regional Supervisor.....417/895-6881
BOLIVAR OFFICE
412 S. Killingsworth, Bolivar 65613.....417/326-5189
BRANSON OFFICE
226 Claremont Dr., Branson 65616417/334-3324
CASSVILLE OFFICE
PO Box 607, Cassville 65625.....417/847-5949
JOPLIN OFFICE
705 S. Illinois, Ste. 6B Joplin 64801.....417/629-3423
LEBANON OFFICE
2350 S. Jefferson, Lebanon 65536.....417/532-7612
NEOSHO OFFICE
1510 S. US Hwy. 71, Neosho 64850.....417/451-4158

ST. LOUIS636/441-4554

2360 Hwy. D, St. Charles 63304
Cathy deJong, Regional Supervisor.....636/300-1953
POWDER VALLEY NATURE CENTER
11715 Cragwood Rd., Kirkwood 63122314/301-1500
ROCKWOODS OFFICE
2751 Glencoe Rd., Wildwood 63038.....636/458-2236
SULLIVAN OFFICE
PO Box 248, Sullivan 63080573-468-3335
WARRENTON OFFICE
PO Box 157, Warrenton 63383.....636/456-3368



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Missouri Department of Conservation
Forestry Division
P.O. Box 180
Jefferson City, MO 65109

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